

AMENDED IN SENATE MARCH 21, 2013

**SENATE BILL**

**No. 39**

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**Introduced by Senators De León and Steinberg**

**(Coauthors: Senators Beall, Block, Calderon, Corbett, DeSaulnier, Evans, Galgiani, Hancock, Hernandez, Hill, Jackson, Lara, Leno, Lieu, Liu, Negrete McLeod, Padilla, Pavley, Price, Roth, Rubio, Vargas, Wolk, and Yee)**

**(Coauthors: Assembly Members Skinner and Torres)**

December 5, 2012

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An act to add Chapter 5 (commencing with Section 26230) to Division 16.3 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 39, as amended, De León. Energy: school facilities: energy efficiency upgrade projects.

The California Clean Energy Jobs Act, an initiative measure enacted by voters at the November 6, 2012, statewide general election, establishes the Clean Energy Job Creation Fund and requires moneys in the fund to be available for appropriation during specified fiscal years for, among other things, the purposes of funding energy efficiency projects in school facilities.

This bill would enact the Clean Energy Employment and Student Advancement Act of 2013 and would require the Office of Public School Construction, *in consultation with the State Energy Resources Conservation and Development Commission and the Public Utilities Commission*, to establish a school district assistance program to distribute grants, on a competitive basis, for energy efficiency upgrade projects pursuant to the California Clean Energy Jobs Act. The bill would require the office, upon the approval of the State Allocation

Board, to award a school district grants for energy efficiency upgrade projects meeting specified criteria. The bill would require the office to give priority applications meeting specified criteria. *The bill would require the office, in consultation with the State Energy Resources Conservation and Development Commission, to establish a program to evaluate the potential to fund energy efficiency and clean energy projects for schools, including colleges and universities, through the use of matching funds, low-interest loans, or other financing methods.*

This bill would state the intent of the Legislature to appropriate moneys to the Office of Public School Construction from the fund for the purposes of awarding energy efficiency grants to the most disadvantaged schools in need of modernization for the purposes of energy efficiency upgrades.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) The people of the State of California voiced their strong
- 4 support for the California Clean Energy Jobs Act by enacting
- 5 Proposition 39 at the November 6, 2012, statewide general election.
- 6 The voters closed an egregious corporate tax loophole that only
- 7 ~~benefitted~~ *benefited* out-of-state companies at the expense of
- 8 expanded employment in our state.
- 9 (2) It is the duty of the Legislature to put these dollars to work
- 10 in a manner that voters can see and experience the ~~benefit~~ *benefit*
- 11 *of* Proposition 39 enumerated the following key principles in
- 12 guiding the expenditure of the revenues raised through the
- 13 California Clean Energy Jobs Act (Division 16.3 (commencing
- 14 with Section 26200) of the Public Resources Code):
- 15 (A) Maximize job creation.
- 16 (B) Shrink our carbon footprint.
- 17 (C) Minimize bureaucratic costs.
- 18 (D) Create full transparency.
- 19 (E) Demand rigorous accountability.
- 20 (F) Create measurable results.
- 21 (3) Since the recession began in late 2007, California has lost
- 22 nearly 1.4 million jobs, including 400,000 in the construction

industry alone. Investing in energy efficiency will maximize job creation and will help the state regain a sense of economic security and sustainability at a time when unemployment remains high. The state can further stimulate its economy by putting the industry segment back to work that is most in ~~need~~ — *the need* — *the* construction trades.

(4) Studies show the continuing high cost of energy and utilities due to inefficient lighting, insulation, heating, ventilation, and air conditioning systems, plumbing, windows, and irrigation systems *that* take local money away from educational programs. For example, the Los Angeles Unified School District spends \$105,000,000 annually on ~~electricity~~ *energy*. Energy efficiency improvements for public schools will reduce long-term energy costs and the savings can be directed to the classroom.

(5) Substandard physical environments are strongly associated with truancy and other behavior problems in pupils. Lower pupil attendance leads to lower scores on standardized tests in ~~English-language~~ *English language* arts and ~~math~~ *mathematics*. Schools with better building conditions have up to 14 percent lower pupil suspension rates. Improving a school's health and safety standards can lead to a 36-point increase in California Academic Performance Index scores.

(6) Several studies have determined that children suffer significant health consequences from excessive heat, inadequate heating, ventilation, and air conditioning systems, mold and other biological hazards, pest infestations, lead and other toxic hazards, and overcrowding beyond the stated capacity of the school structure. Research repeatedly shows the detrimental impact to the health of pupils due to poor indoor air quality in classrooms. Increasing energy efficiency will reduce air pollution that causes asthma and lung disease.

(7) Economically disadvantaged school communities are often the same areas that suffer most from high unemployment and destructive or unlawful conduct by youth. The program funded by revenues generated by the California Clean Energy Jobs Act will encourage community participation in, and a greater sense of responsibility toward, educational, environmental, and fiscal benefits of modernizing facilities, which will enhance community pride and sustain neighborhood vitality.

(b) It is the intent of the Legislature that:

1     ~~(1) The~~ *First priority for funds made available through the*  
2 *California Clean Energy Jobs Act should be used to award*  
3 *competitive grants statewide to economically disadvantaged school*  
4 *communities that are accomplished by delivering project funds to*  
5 *neighborhoods in areas of highest need, while offering schools to*  
6 *provide operational cost savings in schools maintaining*  
7 *kindergarten or any of grades 1 to 12, inclusive, and create a*  
8 *healthy indoor environment for pupils and staff and to offer*  
9 *technical assistance to all applicants and potential applicants for*  
10 *grant preparation to encourage full participation in the grant*  
11 *program.*

12     ~~(2) The grant program funded by revenues generated by the~~  
13 ~~California Clean Energy Jobs Act will finance competitive grants~~  
14 ~~for energy efficiency upgrade projects that provide operational~~  
15 ~~cost-savings improvements in K-12 school facilities.~~

16     ~~(3) Energy efficiency upgrade projects create long-term benefits~~  
17 ~~and cost savings for school districts by significantly reducing~~  
18 ~~energy operational costs, creating a healthy indoor environment~~  
19 ~~for our pupils and staff and reducing the impact that energy creation~~  
20 ~~and consumption has on our natural environment.~~

21     ~~(4)~~  
22     (2) *Energy efficiency upgrade projects should also provide*  
23 *short-term benefits, including the creation of prevailing-wage*  
24 *paying jobs that pay prevailing wages in communities around the*  
25 *state, and stimulate local economies.*

26     (3) *In addition to grants for economically disadvantaged*  
27 *schools, to the extent funds are available, funds could be allocated*  
28 *to finance or provide matching funds for cost-effective energy*  
29 *efficiency upgrades and clean energy projects at schools*  
30 *maintaining kindergarten or any of grades 1 to 12, inclusive, and*  
31 *for projects at community colleges or at the campuses of the*  
32 *University of California or the California State University.*

33     (4) *Workforce training programs, including the California*  
34 *Conservation Corps, certified community conservation corps,*  
35 *YouthBuild, and other existing programs to train and employ*  
36 *disadvantaged youth, veterans, and others on energy efficiency*  
37 *and clean energy projects could also be funded.*

38     SEC. 2. *It is the intent of the Legislature to make moneys*  
39 *available to the Office of Public School Construction, upon*  
40 *appropriation, from the Clean Energy Job Creation Fund to award*

1 energy efficiency upgrade grants to the most disadvantaged schools  
2 in need of modernization for the purposes of energy efficiency  
3 upgrades pursuant to the California Clean Energy Jobs Act  
4 (Division 16.3 (commencing with Section 26200) of the Public  
5 Resources Code).

6 SEC. 3. Chapter 5 (commencing with Section 26230) is added  
7 to Division 16.3 of the Public Resources Code, to read:

8  
9 CHAPTER 5. CLEAN ENERGY EMPLOYMENT AND STUDENT  
10 ADVANCEMENT ACT OF 2013  
11

12 26230. This chapter shall be known, and may be cited, as the  
13 Clean Energy Employment and Student Advancement Act of 2013.

14 26231. As used in this chapter, the following terms shall have  
15 the following meanings:

16 (a) “Energy efficiency upgrade project” means a school facility  
17 project that reduces energy consumption and operational costs  
18 through means that include, but are not limited to, improvements  
19 to one or a combination of the following:

- 20 (1) Ventilation.  
21 (2) Lighting and other system controls.  
22 (3) Air infiltration.  
23 (4) Water use.  
24 (5) Windows and doors (fenestration).  
25 (6) Heating and ~~Cooling~~ *cooling* (HVAC).  
26 (7) Electrical ~~System~~ *system*.  
27 (8) Insulation.

28 (b) “Office” means the Office of Public School Construction.

29 (c) “School district” means a school district or a county office  
30 of education.

31 26232. The office shall, *in consultation with the State Energy*  
32 *Resources Conservation and Development Commission and the*  
33 *Public Utilities Commission*, establish a school district assistance  
34 program to distribute grants, on a competitive basis, prioritizing  
35 economically disadvantaged school communities for energy  
36 efficiency upgrade projects that offer the highest energy efficiency  
37 ~~saving~~ *savings*, pursuant to this division.

38 26233. (a) The office shall offer technical assistance to all  
39 applicants and potential applicants for grant preparation to  
40 encourage full participation in the grant program.

(b) The office shall use existing benchmarking tools to determine present average energy consumption for a school facility by size and type.

26234. Upon approval by the State Allocation Board, the office shall award to a school district a grant pursuant to this chapter only for an energy efficiency upgrade project that meets all of the following criteria:

(a) The proposed project meets the qualifications of an energy efficiency upgrade project.

(b) The school district complies with the required labor compliance and contractor qualification standards.

(c) The amount of the grant applied for, together with any matching contribution, will meet all of the costs of implementing the energy efficiency upgrade project.

(d) The school district allows the office to audit all expenditures made with grant funds.

(e) The school district agrees to track and report to the office the number of jobs created as a result of the energy efficiency upgrade project.

(f) The school district reports to the office the operational cost savings resulting from the energy efficiency upgrade project, both at the district level, in aggregate, and school facility site level.

26235. In evaluating applications for grants that meet the requirements of Section 26234, the office shall assign higher priority to ~~applications that meet each~~ *any application that meets* all of the following criteria:

(a) The energy efficiency upgrade project is located at a school facility with an above average energy consumption, as determined by the benchmark pursuant to subdivision (b) of Section 26233.

(b) The energy efficiency upgrade project is located in an economically disadvantaged school community, based on the percentage of pupils eligible for the federal free and ~~reduced-price~~ *reduced-price* lunch program.

(c) The energy efficiency project is located in an area with an above average unemployment rate as compared to the statewide unemployment rate.

(d) The school district has actively involved pupils *and classified school employees* at the school facility site in the planning and design of the energy efficiency upgrade project.

1     (e) *The energy efficiency upgrade project includes a plan to*  
2 *fund and train classified school employees to service and maintain*  
3 *the projects.*

4     ~~(e)~~

5     (f) The energy efficiency upgrade project will enhance workforce  
6 development and employment opportunities, utilize members of  
7 the California Conservation Corps or certified local conservation  
8 corps, if available, or accommodate learning opportunities for  
9 school pupils or at-risk youth in the community.

10    ~~(f)~~

11    (g) The energy efficiency upgrade project is a joint partnership  
12 between two or more agencies, including, but not limited to, other  
13 school districts, nonprofit organizations, and local government  
14 agencies to maximize the investment and benefit to the public.

15     26236. (a) *In addition to the program established pursuant to*  
16 *Section 26232, the office, in consultation with the State Energy*  
17 *Resources Conservation and Development Commission, shall*  
18 *develop a financing program by evaluating the potential to fund*  
19 *projects, consistent with the requirements of Chapter 2*  
20 *(commencing with Section 26205) for schools maintaining*  
21 *kindergarten or any of grades 1 to 12, inclusive, community*  
22 *colleges, and campuses of the University of California and the*  
23 *California State University through the use of matching funds,*  
24 *low-interest loans, or other financing methods.*

25    (b) *Upon appropriation by the Legislature for the purposes of*  
26 *implementing this section, the office may establish standards*  
27 *consistent with this division for the implementation of a financing*  
28 *program developed pursuant to subdivision (a).*